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Hertz

Public Affairs Department
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News Release

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Two-Year 50% Rise...

1981 LOS ANGELES DRIVING COSTS AGAIN TOPS IN NATION; ALL CITIES UP 18% IN YEAR

Average costs to own and run typical new compact-sized cars in 20 key U.S. cities soared 51% in the past two years reaching 47.3¢ a mile in 1981, some 16.1¢ more than the same driving in 1979, The Hertz Corporation's newest annual study showed today.

For the third year, Los Angeles led the list of high-cost driving locales, with a figure of 57.9¢ a mile. Detroit was the least expensive of the major 20 cities across the nation at 41.9¢ a mile, the lease-rental company's new survey estimates.

The 47.3¢-a-mile 1981 average is 18%, or 7.3¢ a mile over the 1980 estimate of 40¢-a-mile for compact models purchased new and driven 10,000 miles a year for four years. The comparable 1979 figure was 31.3¢ a mile, the Hertz analysis shows.

The firm's new geographic expense estimate again ranks New York City as the second most expensive spot in the nation in which to own and run an auto, with the typical new compact cost there totaling 56.6¢ a mile last year.

San Francisco placed third among the top cities at 56.3¢ a mile; Miami fourth at 49.7¢; Chicago fifth with 48.5¢, Seattle sixth, 47.6¢; Denver seventh, 46.8¢; Houston eighth, 46.53¢; St. Louis ninth, 46.49¢ and San Diego tenth at 46.37¢.

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"Continued increases in vehicle purchase prices along with almost prohibitive interest rates on the money to buy the units accounts for most of the overall rise in the figures in both of the past two years," the study reports.

The 47.3¢ a mile major-city average compares with the previously reported nationwide average of 44.6¢ a mile, itself almost 50% above comparable 1979 costs for new car driving of 29.8¢ then. The major city costs normally are higher than the nationwide average because of higher sales taxes and insurance premiums.

Other Cities Ranked

In 11th place in the 1981 major city survey was Boston, 46.34¢ per mile for the typical four year, 10,000 mile-a-year compact use; 12th was Minneapolis, 45.91¢; 13th Milwaukee, 45.85¢; 14th, Pittsburgh, 45.71¢; 15th, Cleveland, 44.97¢; 16th, District of Columbia, 44.63¢; 17th, Dallas, 43.58¢; 18th, Cincinnati, 42.86¢; 19th, Atlanta, 42.58¢; and 20th, Detroit, 41.95¢.

Los Angeles' percentage rise was lowest of the 20 cities, up 13.3% over 1979, while Boston surged the most, 23.5%. Variations among the cities, along with ranking changes usually stem from insurance, interest rate or sales tax rises at different times of the year, Hertz noted.

Insurance premiums are a critical factor and can alter estimated average costs by several cents a mile, so "insurance shopping" can be as important as bargaining over vehicle purchase price and seeking lowest interest rates on loans, according to the lease-rental company which has a worldwide fleet of more than 300,000 vehicles.

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The expense estimates also include gasoline, oil and other service station items; maintenance, parts and repairs, licenses and fees; plus depreciation -- the difference between a vehicle's purchase price and its anticipated resale or trade-in value.

Figures do not include parking and tolls, since these can vary widely even within the same city; but Hertz said in major areas these charges could add 5-25¢ a mile to the basic totals.

Purchase Price A Key Factor in Total Costs

Vehicle purchase price is a key factor in estimating total ownership and operating costs, Hertz said, since it influences the major fixed, or standing, charges of depreciation, insurance, interest and sales taxes. These elements add up to about three-quarters of total yearly outlays.

New compact model purchase prices in 1981 averaged $7,694 for typically-equipped units most motorists buy, such as automatic transmission, power steering and brakes and air-conditioning. These prices ranged from an $8,108 average in San Francisco to $7,282 in Detroit, the study pointed out. Most of the variation is in transportation charges, required equipment and sales taxes.

In the category of insurance, licenses and fees, per-mile expenses ranged from 18.1¢ in Los Angeles to 7.5¢ in Dallas, with the 20-city average 10.6¢, and a national average of 9.1¢ for these items.

Estimated average interest ranged from 9.6¢ in Los Angeles to 8.2¢ in Washington, D.C. Maintenance was 3.9¢ in San Francisco and just 2.4¢ in Atlanta. Fuel and other service station items were 10.5¢ in San Francisco, 8.6¢ in Detroit.

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Costs Also Vary By Car Mileage, Size, Age

The Hertz estimates are for most typical driving in new cars. The auto's size, price, equipment, age and mileage can change expenses significantly, Hertz notes. Used cars, bought by many motorists, also can be 10-50% less than new ones.

For a smaller sub-compact purchased new, four-year costs at 10,000 miles a year are an average of 35.6¢ a mile in the 20 cities, intermediate-size units 49¢ and full-size models 51.1¢.

While four-year ownership of a new model is now most typical, keeping the vehicle 10 years lowers per-mile outlays to 35¢ a mile on average for the 20 cities. Trading the car annually, though, raises payments to 52.4¢ a mile, the study shows.

Longer auto use normally lowers outlays because key depreciation, insurance, and interest expenses almost always drop faster than repair charges rise as the car ages.

Initial Hertz car cost studies used intermediate-sized cars kept three years as most typical, but smaller compacts driven four years now best represent average expenses, according to the company. Motorists are buying smaller, relatively less expensive models with fewer options, keeping them longer and driving them less to combat the steep expense increases of recent years.

Different annual mileage also changes per-mile expenses significantly because the important fixed or standing expenses are spread over more miles each year if travel increases, fewer miles if yearly driving drops.

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The 20-city average per-mile cost of the compact driven four years falls from 47.3¢ a mile for the typical 10,000 annual miles of travel to 35.9¢ for 15,000 annual miles and goes to 27.3¢ for 25,000 miles yearly.

However, the study shows, annual dollar outlays rise from $4,734 at the 10,000 mile level to $5,391 at 15,000 and to $6,827 at 25,000 miles. On the other hand, at just 5,000 miles a year, per-mile outlays come to 82¢ while yearly expenses drop to $4,099.

Government figures estimate 1980 average auto mileage at under 10,000 miles and Hertz estimates 1981 travel at 8,224 a year for all passenger cars, including higher-mileage fleet units. Other studies show that newer cars typically run about 50% more miles during the first year of operation than the average, and about 50% less in their tenth year. Hertz estimates the average annual mileage during a new car's first four years in 1981 was 10,151.

In 1979, costs to drive an intermediate size vehicle 10,000 miles a year for three years in the 20 key cities, typical car-size and ownership periods then, was 37.98¢ a mile. For 1981 it was 54.06¢, on average, up 42% in two years.

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CITY RANKINGS OF HERTZ ESTIMATED COMPACT CAR OWNERSHIP AND OPERATING COSTS
For Vehicles Purchased New And Driven 10,000 Miles-Per-Year for Four Years

1981 Rank	CITY	¢ Per Mile	1980 Rank	¢ Per Mile	1979 Rank	¢ Per Mile
1.	Los Angeles	57.95	1.	51.07	1.	41.22
2.	New York City	56.62	2.	48.10	2.	40.94
3.	San Francisco	56.29	3.	46.51	4.	34.43
4.	Miami	49.68	4.	41.60	8.	31.02
5.	Chicago	48.54	5.	40.36	9.	30.82
6.	Seattle	47.60	7.	39.79	6.	31.68
	20 CITY AVERAGE	47.34		39.96		31.25
7.	Denver	46.56	6.	40.29	3.	34.52
8.	Houston	46.53	8.	39.75	7.	31.40
9.	St. Louis	46.49	10.	39.00	16.	28.87
10.	San Diego	46.37	9.	39.69	17.	28.75
11.	Boston	46.34	17.	37.51	13.	29.82
12.	Minneapolis	45.91	11.	38.40	5.	32.11
13.	Milwaukee	45.85	12.	38.22	10.	30.75
14.	Pittsburgh	45.71	15.	37.97	12.	29.88
15.	Cleveland	44.97	16.	37.65	18.	27.46
16.	District of Columbia	44.63	13.	38.20	11.	30.36
	NATIONAL AVERAGE	44.57		37.74		29.79
17.	Dallas	43.59	14.	38.11	14.	29.23
18.	Cincinnati	42.86	19.	35.52	20.	25.41
19.	Atlanta	42.58	18.	36.17	15.	29.17
20.	Detroit	41.95	20.	35.32	19.	27.23

NOTE: Changes in relative rankings year to year may result from increases being allowed at different times of the year by state regulatory agencies for insurance and/or interest rates, or by changes in state and local sales taxes or licenses and use fees. A difference of 1¢ a mile could cause a ranking change of seven digits in cases and this difference could be caused by a $50 a year variation in insurance and a half-point difference in interest rates. The 1979 and 1980 figures, originally issued for three years of driving rather than four, have been revised to four-year estimates to make them comparable with 1981 use assumptions, which reflect the trend toward longer ownership of new cars.

1981 HERTZ CITY BY CITY ESTIMATES OF COST OF DRIVING VARIOUS SIZED NEW CARS 4 YEARS AT 10,000 MILES PER YEAR

City	Sub-compact	Compact	Small Mid-size	'Intermediate'	Full-Size
Atlanta	31.98¢	43.59¢	44.96¢	46.84¢	48.85¢
Boston	34.80	46.34	48.93	50.98	53.16
Chicago	36.45	48.54	51.25	53.40	55.68
Cincinnati	32.19	42.86	45.25	47.15	49.17
Cleveland	33.77	44.97	47.48	49.47	51.59
Dallas	32.73	43.58	46.01	47.94	49.99
Denver	34.89	46.46	49.06	51.11	53.30
Detroit	31.50	41.95	44.29	46.15	48.12
Distr ict of Columbia	33.52	44.63	47.12	49.10	51.20
Houston	34.94	46.53	49.13	51.19	53.38
Los Angeles	43.44	57.85	61.08	63.64	66.36
Miami	37.31	49.68	52.46	54.65	56.99
Milwaukee	34.43	45.85	48.41	50.44	52.60
Minneapolis	34.48	45.91	48.47	50.50	52.67
New York City	42.52	56.62	59.78	62.29	64.95
Pittsburgh	34.33	45.71	48.26	50.28	52.44
St. Louis	34.91	46.49	49.09	51.14	53.33
San Diego	34.82	46.37	48.96	51.01	53.19
San Francisco	42.27	56.29	59.43	61.92	64.57
Seattle	35.75	47.60	50.26	52.36	54.61
20-CITY AVERAGE	35.55¢	47.34 ¢	49.98 ¢	52.08 ¢	54.31 ¢
NATIONAL AVERAGE	33.47 ¢	44.57 ¢	47.06 ¢	49.03 ¢	51.13 ¢

NOTE: Costs in cents per mile assume new 1981 car purchased at prices listed in tables, driven 10,000 miles per year for four years, with figures stated in constant 1981 dollars. Figures cover all normal expenses except parking and tolls. To obtain apprximations of costs for driving other distances per year, or for other use periods, divide compact costs in any city by the national average (44.57) then mulitply this figure by the cents-per-mile figure listed under the "Constant Miles Per Year" columns on Table IV for the appropriate mileage and use period.

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HERTZ ESTIMATES OF 1981 PASSENGER CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES

In Cents Per Mile for New Compact Car Kept 4 Years & Driven 10,000 Miles A Year

CITY	U.S. NAT.AV.	20-CITY AVER.	Atlanta	Boston	Chicago	Cinc'nati	Clevlnd.	Dallas	Denver	Detroit	Dis.Col.	Houston
Purchase Price	$7621	$7694	$ 7566	$ 7687	$ 7789	$ 7549	$ 7650	$7624	$ 7717	$ 7282	$7444	$ 7626
Anl.Depreciation	15.24¢	15.39¢	15.13¢	15.38¢	15.58¢	15.10¢	15.30¢	15.26¢	15.43¢	14.56¢	14.89¢	15.25¢
Ins.,Lics.,Fees	9.07	10.55	8.22	9.55	11.06	7.53	9.29	7.45	9.89	7.74	8.40	10.04
Interest Costs	8.82	8.91	8.50	9.21	8.78	8.60	8.47	9.28	9.30	8.35	8.15	9.29
'Fixed' Cost Sub-tot.	31.33¢	34.85¢	31.85¢	34.14¢	35.42¢	31.23¢	33.06¢	31.99¢	34.62¢	30.65¢	31.44¢	34.58¢
Mainten,Repairs	2.66¢	3.09¢	2.41¢	2.86¢	3.30¢	2.46¢	2.72¢	3.09¢	3.29¢	2.69¢	3.70¢	3.22¢
Gas,Oth.Ser.Stn.Chgs.	8.78	9.40	8.32	9.34	9.82	9.17	9.19	8.66	8.65	8.62	9.49	9.69
'Variable' Subtotal	11.44¢	12.49¢	10.73¢	12.20¢	13.12¢	11.63¢	11.91¢	11.75¢	11.94¢	11.31¢	13.19¢	11.91¢
FIXED,VARIABLE TOTAL	44.57¢	47.34¢	42.58¢	46.34¢	48.54¢	42.86¢	44.97¢	43.73¢	46.56¢	41.95¢	44.63¢	46.49¢

CITY	L. A.	Miami	Mil'kee	Minpls.	N.Y.C.	Ptsbrgh.	St.Louis	San Diego	San Fran.	Seattle
Purchase Price	$ 7989	$7616	$7561	$ 7663	$7900	$ 7686	$ 7767	$ 7993	$ 8108	$ 7663
Anl.Depreciation	15.98¢	15.23¢	15.12¢	15.33¢	15.80¢	15.37¢	15.53¢	15.99¢	16.22¢	15.33¢
Ins.,Lics.,Fees	12.13	14.39	9.33	8.64	17.61	9.29	9.78	8.66	16.13	9.90
Interest Costs	9.59	8.59	8.86	8.76	9.49	8.76	8.60	9.37	9.51	8.96
'Fixed' Cost Sub-tot.	43.70¢	38.21¢	33.31¢	32.73¢	42.90¢	33.41¢	33.91¢	34.02¢	41.86¢	34.19¢
Maint.,Repairs	3.85¢	2.52¢	2.79¢	3.16¢	2.97¢	3.09¢	3.60¢	2.83¢	3.89¢	3.35¢
Gas,Oth.Ser.Stn.Chgs.	10.30	8.95	9.75	10.02	10.77	9.21	8.92	9.52	10.54	10.06
'Variable' Sub-total	14.15¢	11.47¢	12.54¢	13.18¢	13.72¢	12.30¢	12.52¢	12.35¢	14.43¢	13.41¢
FIXED & VARIABLE TOTAL	57.85¢	49.68¢	45.85¢	45.91¢	56.62¢	45.71¢	46.43¢	46.37¢	52.29¢	47.60¢

NATIONAL AVERAGE ANNUAL CENTS-PER-MILE COSTS TO DRIVE NEW 1981 COMPACTS VARYING USE PERIODS AND ANNUAL MILEAGES

Use Years	Miles Per Year 5,000	10,000	15,000	25,000
1	88.64¢	49.70¢	36.68¢	26.83¢
2	84.37	48.00	35.83	25.21
3	80.57	46.28	34.72	25.78
4	77.51¢	44.57¢	33.71¢	25.45¢
5	75.00	43.42	33.08	No Data
6	67.68	39.92	29.91	Over 100
7	62.18	37.26	---	Th.Miles
8	57.96¢	35.30¢	- - - - - - - - -	
9	54.60	33.73	No Data Over	
10	51.87	32.42	100,000 Miles	

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TABLE 1 — HERTZ ESTIMATES OF 1981-MODEL PASSENGER CAR OPERATING COST AVERAGES

Average cents - per-mile (& Total Annual Dollar) Expenses for Varying Years of Service, Mileage and Car Type

Use Years	'SUB-COMPACT' At Constant Miles Per Year		'COMPACT' At Constant 8224 M.P.Y.		'COMPACT' At Declining Annual Miles Averaging 8224 Over 10 Years			'COMPACT' Constant Miles Per Year				MID-SIZE	INTER-MEDIATE	STAN-DARD
												Each At Constant		
	10,000	15,000	¢P.M.	$P.Y.	M.P.Y.	¢P.M.	$P.Y.	5,000	10,000	15,000	25,000	10,000 Miles Per Year		
1	37.89¢	28.06¢	57.99	= 4769	12,511	= 41.86¢	= $5237	88.64¢	49.70¢	36.68¢	26.83¢	52.34¢	54.57¢	56.56
2	36.73	27.52	55.38	= 4554	11,565	= 43.03	= 4976	84.37	48.00	35.83	25.21	50.61	52.76	54.83
3	35.50	26.73	53.73	= 4419	10,841	= 43.57	= 4723	80.57	46.28	34.72	25.78	48.83	50.89	52.97
4	34.28	26.03	51.63	= 4246	10,151	= 44.07	= 4474	77.51	44.57	33.71	25.45	47.06	49.03	51.13
5	33.47	25.59	50.21	= 4129	9,728	= 44.21	= 4301	75.00	43.42	33.08	--	45.88	47.79	49.90
6	30.82	24.02	45.71	= 3759	9,442	= 41.38	= 3908	67.68	39.82	30.91	--	42.15	43.89	46.00
7	28.96	--	42.46	= 3492	9,212	= 39.24	= 3615	62.18	37.26	No Data Over 100,000 Miles		39.52	41.13	43.27
8	27.53	No	39.94	= 3284	8,958	= 37.81	= 3387	57.96	35.30			37.51	39.02	41.19
9	26.38	Data	38.10	= 3133	8,650	= 36.81	= 3184	54.60	33.73			35.89	37.33	39.50
10	25.43	Over 100M	36.57	= 3008	8,224	= 36.57	= 3008	51.87	32.42	--	--	34.54	35.92	38.10

NOTE: Above Costs Are Averages for the Varying Use/Mileage Periods; those below, right, are for each of the years.

HISTORICAL COMPARISONS 'INTERMEDIATE' SIZE CAR EXPENSE ESTIMATES
At Estimated Varying Mileage Averages

Year	3-Year Average Annual Mileage	3-Year Use Cost Cents Per Mile	10-Year Aver. Annual Mileage	10-Year Use Cost Cents Per Mile	At Constant 10,000 Mile A Yr. Aver. 3-Yr. Use	10-Yr. Use	3-Year Use 3 Year Use @ 10,000 MPY (in 1981 $)
1925E	5835	16.9¢	Not Available		11.5¢	NA	58.4¢
1950	12771	9.3	9032	8.0¢	10.9	7.7¢	40.3
1960	13497	12.2	9545	9.8	14.4	9.5	43.3
1970	14267	14.7	10090	12.1	19.0	12.2	43.6
1971	14567	14.3	10280	11.9	18.7	12.1	41.1
1972	14652	15.1	10362	12.1	19.7	12.4	41.9
1973	13570	16.2	9597	13.4	20.2	13.1	40.5
1974	12300	20.7	8732	17.1	23.8	15.9	43.0
1975	12561	23.2	8901	18.9	27.2	17.7	45.0
1976	11885	24.8	9015	20.1	28.1	17.9	44.0
1977	12127	26.2	9199	20.8	30.1	20.0	44.2
1978	12082	29.1	9165	23.1	33.1	22.0	45.8
1979	11666	34.0	8850	28.7	38.0	26.4	46.7
1980	10841	41.5	8224	34.5	44.0	31.0	49.7
1981	same	47.9	same	40.4	50.9	35.9	50.9

CURRENT DATA 'COMPACT' CAR EXPENSES
Yearly Costs & Mileages for Various Ownership Periods (Not Averages for All Yrs. as Listed Above.)

Use Yr. Mi.	At Constant 8224 MPY ¢P.M.	$P.Y.	At Listed Declining Yrly. Mileage Aver. 8224 MPY Miles	¢P.M.	$P.Y.
1	57.99¢	=$4769	12,511	=41.86¢	=$5237
2	52.76	= 4339	10,619	=44.40	= 4714
3	50.44	= 4148	9,393	=44.90	= 4218
4	45.31	= 3726	8,081	=46.11	= 3726
5	44.52	= 3661	8,035	=44.93	= 3610
6	23.21	= 1909	8,017	=24.19	= 1939
7	22.98	= 1890	7,830	=23.76	= 1860
8	22.28	= 1832	7,177	=24.98	= 1793
9	23.36	= 1921	6,187	=25.13	= 1555
10	22.85	= 1879	4,391	=32.40	= 1423
Av.	36.57¢	=$3008	8,224	36.57¢	=$3008

National U.S. Averages
Originally Issued 11/81

Table II National U.S. Averages, Originally Issued 11/°1

CENTS PER MILE BREAKOUT OF HERTZ OWNERSHIP & OPERATING COST ESTIMATES FOR SELECTED CARS @ 10,000 MILES PER YEAR

Model Year	1981						1980				
Purchase Price	$7,621			$8,326			$6,454			$7,129	
Car Size	Compact			Intermediate			Compact			Intermediate	
Years Kept	3-Years	4-Years	10-Years	3-Years	4-Years	10-Years	3-Years	4-Years	10-Years	3-Years	10 Years
Depreciation	17.78¢	15.24¢	7.47¢	19.43¢	16.65¢	8.16¢	15.49¢	13.23¢	6.32¢	17.11¢	6.98¢
Ins., Lic., Fees	9.07	9.07	7.80	9.41	9.41	8.10	8.13	8.13	6.99	8.48	7.31
Interest (P&L)	8.10	8.82	4.85	8.85	9.63	5.29	5.82	5.91	3.24	6.43	3.58
FIXED COST S-T	34.96	33.13	20.12	37.69	35.70	21.55	29.44	27.27	16.56	32.02	17.87
Maintenance	2.57	2.66	3.42	3.00	3.11	4.00	2.28	2.42	3.15	2.68	3.71
Gas & Other Svc. Stn. Expenses	8.76	8.78	8.88	10.20	10.23	10.37	8.04	8.05	8.15	9.29	9.44
VARIABLE S-T	11.32	11.44	12.30	13.20	13.33	14.37	10.31	10.47	11.30	11.97	13.15
FIXED & VARIABLE TOTAL	46.28¢	44.54¢	32.42¢	50.89¢	49.03¢	35.92¢	39.75¢	37.74¢	27.86¢	43.99¢	31.02¢

Model Year	1979		1978	1977	1976	1975	1974	1973		1972	
Purchase Price	$5,079	$6,161	$5,578	$5,211	$4,864	$4,676	$3,934	$3,493		$3,425	
Car Size	Compact	Inter.	Inter.	Inter.	Inter.	Inter.	Inter.	Intermediate		Intermediate	
Years Kept	4-Years	3-Years	3-Years	3-Years	3-Years	3-Years	3-Years	3-Years	10 Years	3-Years	10 Years
Depreciation	10.54¢	15.61¢	14.22¢	.1328¢	.1277¢	.1262¢	.1062¢	.0943¢	.0342¢	9.24¢	3.26¢
Ins., Lic., Fees	6.43	7.90	6.98	.0608	.0491	.0388	.0370	.0350	.0257	3.42	2.45
Interest	3.83	4.60	4.13	.0308	.0302	.0331	.0246	.0203	.0115	1.98	1.10
FIXED S-T	20.80	28.10	25.33	.2244¢	.2070¢	.1981¢	.1678¢	.1496¢	.0714	14.64¢	6.81
Maintenance	2.19	2.48	2.31	.0212	.0208	.0191	.0182	.0177	.0246	1.73	2.34
Gas & Other Svc. Stn. Expenses	6.79	7.40	5.48	.0551	.0531	.0546	.0520	.0344	.0346	3.37	3.30
VARIABLE S-T	8.99	9.88	7.79	.0763¢	.0739¢	.0737¢	.0702¢	.0521¢	.0592¢	5.10	5.64
TOTAL	29.79¢	37.98¢	33.12¢	.3007¢	.2809¢	.2718¢	.2380¢	.2017¢	.1306¢	19.74¢	12.44¢

Table III
National U.S. Averages
Originally Issued
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SUMMARY OF DOMESTIC AUTO SIZE CHANGES

CAR SIZE	'Subcompact'	'Compact'	'Mid-Size'	'Intermediate'	Standard
Example Model:	Escort	Fairmont	Granada	Thunderbird	Ltd.
1981 List Price	$5417	$7714	$8195	$8802	$9023
Wheelbase	94"	106"	106"	108"	114"
Overall Length	164"	196"	197"	200"	209"
Weight	1987 lbs.	2724 lbs.	2948 lbs.	3167 lbs.	3602 lbs.
Change Vs. '80					
Weight	-501 lbs.-20%	+36 lbs.+1%	-302 lbs.-9%	-95 lbs.-3%	+18 lbs.+1%
Price	-$625 -10.3%	+$1250 +19.3%	+$1089 +15.3%	+$1094 +14.2%	+$242 +2.8%
Change Vs. '73					
Weight	-229 lbs.-10%	+467 lbs.+21%	-281 lbs.-9%	-611 lbs.-16%	-690 lbs.-16%
Price	+$2475 +84%	+$4629 +150%	+$4493 +121%	+$4895 +125%	+$4776+112.5%
1980 Price	$6042	$6464	$7106	$7708	$8781
Wheelbase	95"	106"	110"	108"	114"
Overall Length	171"	196"	200"	200"	209"
Weight	2488 lbs.	2688 lbs.	3250 lbs.	3262 lbs.	3584 lbs.
1979 Price	$5004	$5370	$6265	$6738	$7793
Wheelbase	95"	106"	110"	114"	114"
Overall Length	169"	194"	198"	216"	209"
Weight	2449 lbs.	2682 lbs.	3249 lbs.	3910 lbs.	3611 lbs.
1978 Price	$4647	$5061	$5759	$6031	$6379
Wheelbase	Same	Same	Same	114"	121"
Overall Length	Same	Same	194"	216"	224"
Weight	2425 lbs.	2748 lbs.	3349 lbs.	4056 lbs.	4266 lbs.
1977 Price	$4352	$4542	$5444	$5634	$6036
Wheelbase	Same	103"	Same	Same	Same
Overall Length	Same	187"	Same	Same	Same
Weight	2443 lbs.	2999 lbs.	3462 lbs.	3981 lbs.	4414 lbs.
1976 Price	$4061	$4321	$5089	$5263	$5627
Wheelbase	Same	Same	Same	114"	Same
Overall Length	166"	Same	Same	214"	Same
Weight	2562 lbs.	2980 lbs.	3343 lbs.	4137 lbs.	4451 lbs.
1975 Price	$3622	$4230	$4979	$5089	$5515
Wheelbase	Same	Same	Same	118"	Same
Overall Length	166"	Same	Same	218"	Same
Weight	2581 lbs.	2891 lbs.	3243 lbs.	4258 lbs.	4502 lbs.
1974 Price	$3304	$3518	$3857	$4257	$4870
Wheelbase	Same	Same	110"	Same	Same
Overall Length	166"	Same	194"	215"	222"
Weight	2443 lbs.	2852 lbs.	2964 lbs.	4038 lbs.	4302 lbs.
1973 Price	$2942	$3085	$3702	$3907	$4247
Wheelbase	94"	Same	109"	118"	Same
Overall Length	165"	Same	194"	212"	220"
Weight	2216 lbs.	2257 lbs.	3229 lbs.	3778 lbs.	4292 lbs.

NOTE: Size classification terminology is arbitrary. Government and industry appellations have varied during years covered. Different model names also previously used. No adjustments for "product improvements." Optional equipment added as ordered by majority of buyers.

TABLE IV AUTOMOBILE OWNERSHIP & OPERATING EXPENSES --WITH AND WITHOUT INFLATION--CENTS PER MILE

For Typical Compact-Sized Model Driven 10,200 Miles A Year

Figures at top assume no inflation; figures at bottom assume same future inflation as in past in category

Inflation rate assumed for each category listed below category

Use Year / Calendar Year	1 1981	2 1982	3 1983	4 1984	5 1985	6 1986	7 1987	8 1988	9 1989	10 1990	Average
Purchase Price 9.6%	$7621 $7621	-- ($8353	-- 9154	-- 10003	-- 10996	-- 12052	-- 13209	-- 14477	-- 15867	-- 17390)	-- --
	(Future Purchase Price Estimates for illustration only; 1981 price used in costs below)										
Depreciation 8.01%	22.86 18.59	17.54 15.85	12.95 12.97	7.62 8.06	4.57 5.06	3.05 3.59	2.29 2.95	1.54 2.08	1.52 2.48	.77 1.30	7.47¢ 7.27¢
Lic.,Fees & Insurance 4.01%*	9.07 9.07	9.07 9.44	9.07 9.83	9.07 10.23	9.07 10.65	6.53 7.08	6.53 8.31	6.53 8.65	6.53 9.01	6.53 9.37	7.80¢ 9.25¢
Interest Paid & Lost 7.85 %	7.15 7.15	7.91 8.12	9.24 9.73	10.98 11.86	13.17 14.60	- - - -	- - - -	- - - -	- - - -	- - - -	4.85¢ 5.15¢
Subtotal Fixed Charges	39.08 34.81	34.52 33.41	31.25 32.53	27.67 30.15	26.83 30.31	9.58 11.57	8.81 11.26	8.07 10.73	8.05 11.49	7.31 10.67	20.12¢ 21.68¢
Repairs & Maintenance 5.62%	1.90 1.90	3.04 3.21	2.77 3.09	2.93 3.45	3.16 3.93	3.30 4.34	4.18 5.80	4.54 6.66	4.15 6.43	4.23 6.92	3.42¢ 4.57¢
Fuel & Other Ser.Stn. Charges 13.51%	8.73 8.73	8.75 9.93	8.80 11.34	8.83 12.91	8.83 14.66	8.91 16.79	8.95 19.14	8.99 21.83	9.04 24.64	9.06 28.34	8.88¢ 16.83¢
Subtotal Variable Charges	10.63 10.63	11.79 13.14	11.57 14.43	11.77 16.36	11.99 18.59	12.21 21.13	13.13 24.94	13.53 28.49	13.09 31.07	13.29 35.26	12.30¢ 21.40¢
ANNUAL TOTAL FIXED & VARIABLE COST	49.70¢ 45.44¢	46.30 46.55	42.83 46.96	39.43 46.51	38.82 48.90	21.80 32.70	21.93 36.20	21.59 39.22	21.15 42.56	20.61 45.93	32.42¢ 43.09¢
USE PERIOD AVERAGES	49.70¢ 45.44¢	48.00 46.00	46.28 46.32	44.57 46.37	43.42 46.97	30.82 44.51	37.26 43.32	35.30 42.81	33.73 42.78	32.42¢ 43.09¢	----

NOTE: Insurance has risen 12.02%. But assumption made that 8.01% of increase each year reflects higher car purchase prices. Slight variations owing to rounding. National Average Data Originally Issued 11/81.

National Average Data
Originally Issued 11/81

DETAILS OF 1981 COST CALCULATIONS BY HERTZ

1. Models Used: Escort (sub-compact), Fairmont (compact), Granada (mid-range), Thunderbird (Intermediate) and LTD (standard). List prices are on attached sheets. Discounts are assumed as follows: Sub-compact, 4%; compact, 6%; mid-range, 8%; intermediate, 10%; full-size, 12%. Assumed sales tax is 5.1% for all units, producing the following purchase prices: Sub-compact, $5,466; compact, $7,62 ; mid-range, $7,923; intermediate, $8,326; and full-size, $8,345.

2. Depreciation rates are averages. (Rates may vary widely from year to year or model to model, but over an extended period the rates have been fairly consistent.) 1 year, 30%; 2 years, 53%; 3 years, 70%; 4 years, 80%; 5 years, 86%; 6 years, 90%; 7 years, 93%; 8 years, 95%; 9 years, 97%; 10 years, 98%. Extremely high or low mileage each year will also produce depreciation rate variations. NOTE: No inflation assumption is made and this will significantly alter costs for longer-term ownership in times of high inflation. However, inflation will also contribute to higher future costs for new cars so that longer use of cars remains more economical.

3. Insurance is based on $250,000/$500,000/$50,000 rates with $500 deductible comprehensive. (Deductible has risen over the years.) Assumption is that full insurance is retained for duration of car loan, then, if car is kept longer, comprehensive is dropped, only liability retained.

4. Interest. For ownership period up to five years, car loan is assumed to be for a period equal to ownership -- e.g. three year loan for three year ownership, five year loan for five year ownership. For use periods over five years, five year loan is assumed. (In past years, when five year loans were not available, four year maximum was used.) Financing of two-thirds of purchase price is assumed in all cases, one third cash down-payment assumed, with interest lost assumed for period of loan, not for full ownership period if over five years. Interest rates assume monthly payments, quarterly compounding as follows: 1 year: 16% paid, 10% lost; 2 years: 16%, 11%; 3 years: 16%, 12%; 4 years: 16%, 13%; 5 years: 16%, 14%. Rates have varied sharply in past years.

5. Fuel Efficiency and Maintenance Costs are based on Hertz estimates, not on data from government agencies or manufacturers or industry groups. The estimates do not reflect Hertz costs since the estimates in the study are intended to provide individual motorists a basis for calculating their own costs for personal pleasure travel. The Hertz study costs do assume full, complete and proper maintenance which some motorists may not perform. Nevertheless, slight reduction in fuel efficiency is assumed in calculating gasoline charges in later years.

6. Excluded from the costs are tolls and garaging since these items can fluctuate widely from place to place and can fluctuate even within the same general geographical areas depending on driving patterms and routes. These charges are, however, almost never "nothing." If a car is parked in the owner's garage, technically the pro-rata cost, based on the size of the garage, should be counted. If car costs are being calculated, expenses should be properly allocated. Without a car, a garage wouldn't be needed. Tolls also make a substantial difference. Two next-door neighbors commuting equal distances to work by different routes might spend 2-5¢ a mile over 10,000 miles of annual driving as a result of tolls. Major city, mid-town parking could add 15-20¢ a mile.

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7. Calculations are for typical cars, typically equipped, driven typical yearly mileages and kept typical periods. Major options ordered by most buyers are included, such as automatic transmission, power steering and brakes and air conditioning. But, for example, on a sub-compact, automatic transmission and air conditioning are not included, because most cars this size are not ordered with these options. And, as noted below, typical mileage and typical use periods are assumed, but other mileages and other use periods are given to illustrate the substantial cents-per-mile and dollars-per-year cost variations different annual mileage and different use periods can produce.

8. Key cost estimates are expressed both in cents-per-mile and dollars-per-year. Many drivers prefer cent-per-mile estimates for tax and employee/employer reimbursement estimates, but dollars-per-year is the key figure. Tables illustrate that high assumed mileage each year produces substantially lower cent-per-mile expenses, since the so-called fixed or standing costs such as insurance, taxes, licensing and interest are spread over a greater number of miles each year. Example: compact car driven 10,000 miles a year produces a 46.28¢-a-mile average over a three-year period and a $4628 annual dollar expenditure. At 15,000 miles a year, per-mile costs drop to 34.72¢, but dollar outlays rise to $5,208 annually. At 25,000 miles a year, cent-per-mile expenses fall to 25.78¢, but annual dollar costs soar to $6,445. Studies expressing costs in terms of high assumed mileage, can be misleading. The estimated overall national average mileage for 1981 was just 8,224. At that mileage, the three-year average cost per-mile for the compact rose to 53.73¢, but dollar outlays dropped to $4,419. At just 5,000 miles a year, costs were 80.57¢ a mile, but just $4,029 a year.

9. Some studies indicate that the mileage of a new car is highest in its earlier years and drops annually as the car ages. Therefore, some other cost estimates in the past have presented cost-per-mile estimates on the basis of such declining mileage assumptions. Such presentations also can be misleading since they mask the fact that longer ownership of a car normally reduces both the cents-per-mile and dollars-per-year, as does purchase of a used car. This is because depreciation for most domestic cars is higher in first years, lower later. Keeping a car after a loan is repaid results in lower average interest; also, insurance can be dropped. Thus, even though maintenance costs rise in later years, often sharply at high mileages, the overall average cost usually falls each year the car is kept (although in later years the yearly outlays do rise). Since these later-year expenses are usually so far below the overall average, the overall expense average continues to drop.

10. The Hertz study illustrates why expenses should always be understood in terms of dollars-per-year even when expressed in cents-per-mile. The table for the compact shows that at a constant 8,224 (national average) miles a year, average expenses for the length of years the car is kept drop from 57.99¢ a mile and $4,769 a year for new cars traded annually, down to 36.57¢ a mile (and $3,008 a year) if a car is kept 10 years. However, if mileage drops each year, at the ratios indicated in at least one government study, the cent-a-mile expenses are "flattened" to just 41.86¢ a mile for the annual trader assumed to have driven 12,511 miles the first year down to the 36.57¢ for the 10-year owner. The study also lists the yearly cost and mileage figures for the compact, in addition to the average for total years the car is kept.

11. All costs are expressed in terms of the dollars current for the year given, e.g. 1981 costs are in 1981 dollars. However, Hertz has adjusted key year figures for past model years to reflect what those costs would have been in 1981 dollars and cents. Inflation, of course, will alter future figures and, especially for longer-term use such differences might be significant if inflation rates are high. In general, depreciation will be somewhat lower, all other categories higher and overall expenses higher with inflation. For example, 10-yr., 100,000-mile use for a compact is estimated at 32.42¢ in constant dollars, but if inflation continued in the future as it did in the past, the cost would be 43.09¢.